

TARIFF ACTION MEMORANDUM

File No.: TA486-8

Date : May 7, 2020

Date Filed: March 31, 2020

Statutory End Date: May 15, 2020

Name of Utility: Chugach Electric Association, Inc.

Description: Annual Update to the Distribution Services Fees

Synopsis of Filing:

Chugach Electric Association, Inc. submits its annual update to its Distribution Services Fees based on labor, equipment, and material costs from 2019.

Tariff Recommendation:

The Commission should approve Tariff Sheet Nos. 77 and 77.1, filed March 31, 2020, by Chugach Electric Association, Inc. with TA486-8, as shown on the attached side-by-side tariff sheets (BA-1). The effective date of the tariff sheets should be June 1, 2020.

Reason(s) for the above-indicated recommendation: See attached memorandum.

Signed: Becki Alvey
Becki Alvey

Title: Utility Tariff Analyst

Commission decision regarding this recommendation:

	Date (if different from 5/7/2020)	<u>I CONCUR</u>	<u>I DO NOT CONCUR</u>	<u>I WILL WRITE A DISSENTING STATEMENT*</u>
Pickett		<u>RMP</u>		
McAlpine		<u>SM</u> SM		
Scott		<u>AGS</u> AGS		
Sullivan		<u>DS</u> DS		
Wilson		<u>JW</u> JW		

* If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction letter or order.

STATE OF ALASKA
The Regulatory Commission of Alaska
701 West 8th Ave., Suite 300
Anchorage, Alaska 99501-3469

M E M O R A N D U M

To: Robert M. Pickett, Chairman
Stephen McAlpine
Antony Scott
Daniel A. Sullivan
Janis W. Wilson

Date: May 7, 2020

From: Becki Alvey, Utility Tariff Analyst

Subject: TA486-8, Chugach Electric Association, Inc.
Annual Update to the Distribution Services Fees

STATEMENT OF CASE

Chugach Electric Association, Inc. (Chugach) submits its annual update to its Distribution Services Fees based on labor, equipment, and material costs from 2019.

RECOMMENDATION

The Commission should approve Tariff Sheet Nos. 77 and 77.1, filed March 31, 2020, by Chugach with TA486-8, as shown on the attached side-by-side tariff sheets (BA-1). The effective date of the tariff sheets should be June 1, 2020.

BACKGROUND

Chugach is the largest electric utility in Alaska providing service to approximately 68,000 retail customers in 81,800 locations and wholesale customer Seward Electric System.¹ The fee schedule for Distribution Services Fees applies to raising or lowering certain distribution facilities as well as special service installations, including joint use trenching.² These fees are updated annually to ensure that changes in underlying costs and contribution amounts are equitably reflected in the rates. With Letter Order No. L0900194, the Commission granted Chugach's request to extend the annual filing date for updates to trenching costs and contributions associated with residential underground secondary service installations from February 15 to March 31 of each year.³

¹ See tariff advice letter for TA486-8, at page 2.

² The rate schedule includes third-party contributions for use of Chugach's trench in residential underground secondary service installations that exceed Chugach's standard allowance of 100 feet. A description of each type of service is attached as BA-2.

³ See Letter Order No. L0900194, for TA304-8 issued May 22, 2009.

Chugach now submits TA486-8, updating its Distribution Services Fees. A public notice was issued for TA486-8 on April 1, 2020, with comments requested by May 1, 2020. No comments were received.

ANALYSIS

Revisions to Construction Costs (Tariff Sheet Nos. 77 and 77.1)

With the revisions proposed in TA486-8, Chugach anticipates an increase in distribution services revenue of approximately \$25,572 annually, which represents a 5.4 percent increase.⁴ In support of TA486-8, Chugach filed a summary of labor, equipment, and material costs for each type of service, as well as a calculation of hourly equipment and labor costs for each type of service crew involved in the construction.⁵

The proposed increases are driven by both increased labor costs and increased material costs. The average equipment cost increased from \$46.69 per hour to \$49.17 per hour. The average labor cost decreased from \$86.52 per hour to \$84.59 per hour.⁶

The tables below show the comparison of the current and proposed rates. Table 1 has the fees for raising or lowering facilities and Table 2 has the fees for special service installations.

TABLE 1

Line	Description	Current Fee	Proposed Fee	Change from Current
1	A. RAISING OR LOWERING FACILITIES			
2	A.1 Secondary Pedestal	\$ 955.00	\$ 960.00	\$ 5.00
3	A.2 Single Phase Padmounted Transformer	\$ 2,300.00	\$ 2,305.00	\$ 5.00
4	A.3 Three Phase Padmounted Transformer	Cost	Cost	
5	A.4 Single Phase Junction Cabinet	Cost	Cost	
6	A.5 Three Phase Junction Cabinet	Cost	Cost	
7	A.6 Switching Cabinet	Cost	Cost	
8	A.7 Metal Street Light	\$ 1,150.00	\$ 1,155.00	\$ 5.00
9	A.8 Primary and Secondary Cable	Cost	Cost	

⁴ See tariff advice letter for TA486-8, at page 1.

⁵ See Exhibits 4 and 5 for TA486-8.

⁶ See Exhibit 5 for TA486-8.

TABLE 2

Line	Description	Current Fee	Proposed Fee	Change from Current
1	B. SPECIAL SERVICE INSTALLATIONS			
2	B.1 Secondary Service Inspections (New or Upgrade Service)			
3	B.1(a) Initial Inspection	No charge	No charge	
4	B.1(b) Per Inspection Charge, Other than Initial Inspection (\$/ft)	\$ 160.00	\$ 160.00	-
5	B.2 New Underground Residential Service, Over 100 Ft. (\$/ft)			
6	B.2(a) Single Use Trench, No Temporary Corflo Placement (\$/ft)	\$ 13.00	\$ 13.10	\$ 0.10
7	B.2(b) Single Use Trench, Requiring Temporary Corflo Placement (\$/ft)	18.30	18.40	0.10
8	B.2(c) Joint Use Trench (2-Party), No Temporary Corflo Placement (\$/ft) ¹	11.70	11.80	0.10
9	B.2(d) Joint Use Trench (2-Party), Requiring Temporary Corflo Placement (\$/ft) ¹	17.10	17.10	-
10	B.2(e) Joint Use Trench (3-Party), No Temporary Corflo Placement (\$/ft) ¹	11.50	11.60	0.10
11	B.2(f) Joint Use Trench (3-Party), Requiring Temporary Corflo Placement (\$/ft) ¹	16.80	16.90	0.10
12	B.3 New Overhead Residential Service, Over 100 Ft. (\$/ft)	4.30	4.40	0.10
13	B.4 Residential Service Conversion, Overhead to Underground ²			
14	B.4(a) Conductor and Trenching (\$/ft)	13.00	13.10	0.10
15	B.4(b) Service Disconnect/Reconnect	500.00	500.00	-
16	B.4(c) Secondary Riser, if Required	1,410.00	1,460.00	50.00
17	B.5 Relocate Residential Overhead Service Attachment ²	500.00	500.00	-
18	B.6 Residential Service Pole	1,200.00	1,270.00	70.00
19	B.7 Guard Post for Padmounted Transformer or Switch Cabinet	1,100.00	1,145.00	45.00
20	B.8 Down Guy Relocation, per Anchor	1,220.00	1,225.00	5.00

¹ Available only when contributions are made from joint use party.

² If a residential service is being upgraded in conjunction with the service work and must be replaced, the service replacement cost will be discounted at 50% but the discount shall not exceed \$1,550 (the value of the single-family residential distribution line extension)

Application Fee for Non-Utility Generation Interconnection

With TA486-8, Chugach proposes to add a new charge for applications for non-utility generation interconnection. Chugach states that this application fee is for customers who install their own generation that will interconnect and operate with Chugach's system. This fee is for Class A and B installations with a name plate capacity up to 100 kW. Chugach states that the fee would cover its time to review interconnection designs, conduct on-site inspections, and process each application.⁷ Chugach anticipates that the average time requirement for processing and inspection of Class A and B interconnection applications is 2.25 hours.⁸

Chugach states that a majority of non-utility generation interconnection applications are for solar photovoltaic generation, and most are received from a small number of local installers who are consistent in their applications. Chugach believes that the application process is standard and streamlined for most applications. Chugach states that the proposed \$200 fee is approximately 1.3% to 2% of the cost of a typical solar installation.

⁷ See tariff advice letter for TA486-8 at page 3.

⁸ See Exhibit 1.

Chugach proposes to update this fee annually with its other distribution service fee updates.⁹

Staff reviewed the calculation and believes that it is consistent with Chugach's other distribution service fees. Staff notes that Chugach's tariff provides for fees other installations where facilities that connect with Chugach's system. Therefore Staff believes that this application fee is reasonable.

Staff has verified the calculations proposed in TA486-8 are accurate. Staff has reviewed the support filed with TA486-8 and believes it is sufficient. Therefore, Staff recommends the Commission approve Tariff Sheet Nos. 77 and 77.1.

CONCLUSION

With TA486-8 Chugach requests approval of its annual update for Distribution Service Fees for the period beginning June 1, 2020. Staff has reviewed TA486-8 and the supporting documentation and believes the revisions should be approved. Staff recommends the Commission approve Tariff Sheet Nos. 77 and 77.1, filed March 31, 2020, by Chugach with TA486-8. The effective date of the tariff sheets should be June 1, 2020.

Signature: 

Email: bob.pickett@alaska.gov

Signature: 
Stephen McAlpine (May 7, 2020)

Email: stephen.mcalpine@alaska.gov

Signature: 

Email: antony.scott@alaska.gov

Signature: 
Dan Sullivan (May 7, 2020)

Email: daniel.sullivan@alaska.gov

Signature: 

Email: janis.wilson@alaska.gov

⁹ See tariff advice letter for TA486-8 at page 3.

RCA No.: 8 22nd Revision Sheet No. 77
Canceling
21st Revision Sheet No. 77

RECEIVED
APR 10 2019
STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

Chugach Electric Association, Inc.

SCHEDULE OF CHARGES AND FEES (Continued)

Distribution Services Fees

A. Raising or Lowering of Facilities

- | | | |
|----------------------------------------------|---------------------------|---|
| 1. Secondary Pedestal..... | \$955.00 | I |
| 2. Single Phase Padmounted Transformer | \$2,300 | I |
| 3. Three Phase Padmounted Transformer | Chugach Cost ¹ | |
| 4. Single Phase Junction Cabinet | Chugach Cost ¹ | |
| 5. Three Phase Junction Cabinet | Chugach Cost ¹ | |
| 6. Switching Cabinet | Chugach Cost ¹ | |
| 7. Metal Street Light | \$1,150.00 | I |
| 8. Primary and Secondary Cable | Chugach Cost ¹ | |

B. Special Service Installations

- | | | |
|---------------------------------------------------------------|-----------|---|
| 1. Secondary Service Inspections (New or Upgrade Service) | | |
| a) Initial Inspection | No Charge | |
| b) Per Inspection Charge, Other Than Initial Inspection | \$160.00 | I |

¹ Refer to Section 8.14, "Modification to Existing Facilities".

Tariff Advice No.: 471-8

Effective: June 1, 2019

Issued by: Chugach Electric Association, Inc.
P.O. Box 196300, Anchorage, Alaska 99519-6300

By: _____

Lee D. Thibert

Title: Chief Executive Officer

RCA No.: 8 23rd Revision Sheet No. 77
Canceling
22nd Revision Sheet No. 77

Chugach Electric Association, Inc.

SCHEDULE OF CHARGES AND FEES (Continued)

Distribution Services Fees

A. Raising or Lowering of Facilities

- | | | |
|----------------------------------------------|---------------------------|---|
| 1. Secondary Pedestal | \$960.00 | I |
| 2. Single Phase Padmounted Transformer | \$2,305 | I |
| 3. Three Phase Padmounted Transformer | Chugach Cost ¹ | |
| 4. Single Phase Junction Cabinet | Chugach Cost ¹ | |
| 5. Three Phase Junction Cabinet | Chugach Cost ¹ | |
| 6. Switching Cabinet | Chugach Cost ¹ | |
| 7. Metal Street Light | \$1,155.00 | I |
| 8. Primary and Secondary Cable | Chugach Cost ¹ | |

B. Special Service Installations

- | | | |
|---------------------------------------------------------------|-----------|--|
| 1. Secondary Service Inspections (New or Upgrade Service) | | |
| a) Initial Inspection | No Charge | |
| b) Per Inspection Charge, Other Than Initial Inspection | \$160.00 | |

¹ Refer to Section 8.14, "Modification to Existing Facilities".

Tariff Advice No.: 486-8

Effective: June 1, 2020

Issued by: Chugach Electric Association, Inc.
P.O. Box 196300, Anchorage, Alaska 99519-6300

By: _____

Lee D. Thibert

Title: Chief Executive Officer



RCA No.: 8 16th Revision Sheet No. 77.1

Canceling

15th Revision Sheet No. 77.1

Chugach Electric Association, Inc.

RECEIVED**APR 10 2019**STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA**SCHEDULE OF CHARGES AND FEES (Continued)****B. Special Service Installations (Continued)**

2. New Underground Residential Service, Over 100 Ft.
(applies to direct burial installation only)

Single Use Trench - Chugach Only

- a) Installation Without Temporary Corflo Placement.....\$13.00/Ft.
b) Installation Requiring Temporary Corflo Placement.....\$18.30/Ft.

Joint Use Trench – Two Party Installations ¹

- c) Installation Without Temporary Corflo Placement.....\$11.70/Ft.
d) Installation Requiring Temporary Corflo Placement.....\$17.10/Ft.

Joint Use Trench – Three Party Installations ¹

- e) Installation Without Temporary Corflo Placement.....\$11.50/Ft.
f) Installation Requiring Temporary Corflo Placement.....\$16.80/Ft.

3. New Overhead Residential Service, Over 100 Ft. \$4.30/Ft.
4. Residential Service Conversion, Overhead to Underground ²
(applies to direct burial installation only)
- a) Conductor and Trenching\$13.00/Ft.
b) Service Disconnect / Reconnect\$500.00
c) Secondary Riser, if Required\$1,410.00
5. Relocate Residential Overhead Service Attachment ²\$500.00
6. Residential Service Pole.....\$1,200.00
7. Guard Post for Padmounted Transformer or Switch Cabinet\$1,100.00
8. Down Guy Relocation, per Anchor.....\$1,220.00

¹ Available only when contributions are made from joint use party.² If a residential service is being upgraded in conjunction with the service work and must be replaced, the service replacement cost will be discounted at 50% but the discount shall not exceed \$1,550 (the value of the single-family residential distribution line extension credit).

Tariff Advice No.: 471-8

Effective: June 1, 2019

Issued by: Chugach Electric Association, Inc.
P.O. Box 196300, Anchorage, Alaska 99519-6300

By:

Lee D. Thibert

Title: Chief Executive Officer

RCA No.: 8 17th Revision Sheet No. 77.1

Canceling

16th Revision Sheet No. 77.1

Chugach Electric Association, Inc.

**SCHEDULE OF CHARGES AND FEES (Continued)****B. Special Service Installations (Continued)**

2. New Underground Residential Service, Over 100 Ft.
(applies to direct burial installation only)

Single Use Trench - Chugach Only

- a) Installation Without Temporary Corflo Placement\$13.10/Ft. I
b) Installation Requiring Temporary Corflo Placement.....\$18.40/Ft. I

Joint Use Trench – Two Party Installations ¹

- c) Installation Without Temporary Corflo Placement\$11.80/Ft. I
d) Installation Requiring Temporary Corflo Placement.....\$17.10/Ft. ~~I~~

Joint Use Trench – Three Party Installations ¹

- e) Installation Without Temporary Corflo Placement\$11.60/Ft. I
f) Installation Requiring Temporary Corflo Placement.....\$16.90/Ft. I

3. New Overhead Residential Service, Over 100 Ft.\$4.40/Ft. I
4. Residential Service Conversion, Overhead to Underground ²
(applies to direct burial installation only)
- a) Conductor and Trenching\$13.10/Ft. I
b) Service Disconnect / Reconnect\$500.00
c) Secondary Riser, if Required\$1,460.00 I
5. Relocate Residential Overhead Service Attachment ²\$500.00
6. Residential Service Pole\$1,270.00 I
7. Guard Post for Padmounted Transformer or Switch Cabinet\$1,145.00 I
8. Down Guy Relocation, per Anchor\$1,225.00 I

C. Application Fee for Non-Utility Generation Interconnection (Class A & B)

1. Application Fee for Non-Utility Generation Interconnection, per Application.....\$200.00 N

¹ Available only when contributions are made from joint use party.² If a residential service is being upgraded in conjunction with the service work and must be replaced, the service replacement cost will be discounted at 50% but the discount shall not exceed \$1,550 (the value of the single-family residential distribution line extension credit).

Tariff Advice No.: 486-8

Effective: June 1, 2020

Issued by: Chugach Electric Association, Inc.
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